

29 April 2025

## *March 2025 Quarterly Activities Report*

### *Highlights:*

-  **EPA finalises assessment report for Arrowsmith North and recommends approval to Minister for Environment**
-  **Completion of permitting expected Q2 2025 despite appeal by Conservation Council, including environmental and mining approvals**
-  **New detailed non-binding offtake term sheets signed with significant sand importers in South Korea, Japan and Taiwan**
-  **Adds 440,000 tonnes of offtake interest for Arrowsmith North silica sand for an aggregate of 640,000 tonnes per year that is expected to grow**

VRX Silica Limited (**VRX** or **Company**) is pleased to provide this activities report for the March 2025 quarter.

### **Arrowsmith North Environmental Approval**

VRX has continued to focus on progressing approvals for the development of the Company's 100% owned Arrowsmith North Silica Sand Project (**Proposal**), approximately 270km north of Perth in Western Australia.

On 9 January 2025 the Company announced that the Environmental Protection Authority of Western Australia (**EPA**) had published its Assessment Report (**Report**) for the Proposal and recommended to the Minister for Environment that the Proposal may be implemented, subject to conditions that had been accepted by VRX following consultation with the EPA.

Publication of the Report triggered commencement of a three-week review period during which appeals against the content and recommendations in the Report may be submitted to the Office of the Appeals Convenor (**OAC**).

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#### **ASX: VRX**

##### ***Capital Structure***

*Shares on Issue:*

*747 million*

*Options on issue:*

*92 million*

##### ***Corporate Directory***

***Paul Boyatzis***

*Non-Executive Chairman*

***Bruce Maluish***

*Managing Director*

***Peter Pawlowitsch***

*Non-Executive Director*

***David Welch***

*Non-Executive Director*

***Ian Hobson***

*Company Secretary*

##### ***Silica Sand Projects***

***Arrowsmith Silica Sand***

*Projects, 270km north of Perth, WA.*

***Muchea Silica Sand***

*Project, 50km north of Perth, WA.*

***Boyatup Silica Sand***

*Project, 100km east of Esperance, WA.*

##### ***Geothermal Energy***

***Dandaragan Geothermal***

*Energy Permit, 145km north of Perth, WA*

*The Company is actively assessing other silica sand and downstream processing projects in Australia.*

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VRX received notice from the OAC that on 30 January 2025 an appeal was lodged by the Conservation Council of WA (CCWA), containing a number of grounds for appeal in respect of the Report and the Proposal.

The appeal has been investigated by the OAC on behalf of the Minister for Environment, which involves obtaining comments from the EPA, the Company and any other public authorities or individuals with an interest in the subject matter of the appeal. The Company provided its comments in early February 2025 and met with the OAC later that month and again in April 2025.

While there is no statutory timeframe for completion of the appeal process, VRX understands that investigations by the OAC have been completed and a report from the OAC is expected to be provided for the consideration of the Minister for Environment in early May 2025. The Minister will then determine the appeal, the details of which will be communicated to all interested parties and will then consider whether or not to approve the Proposal under Part IV of the *Environmental Protection Act 1986*.

Other permitting approval processes including from the Department of Climate Change, Energy, the Environment and Water (Federal environmental approval), the Department of Energy, Mines, Industry Regulation and Safety (mining proposal approval) and the Department for Water and Environmental Regulation (Part V works approval), as previously reported by VRX, have run in parallel to the State environmental approval process and decisions in that regard are expected to follow promptly after the State environmental approval decision is handed down by the Minister.

Arrowsmith North has the potential to support a new, long-term industry for Western Australia with substantial benefits to the State and Mid West region including long-term direct and indirect employment opportunities and royalties. The project has considerable support from a range of stakeholders, including local indigenous groups, local shires, the Mid West Development Commission, the Mid West Chamber of Commerce & Industry and State and Federal Governments. It boasts robust economic metrics for the supply of multiple silica sand products for a growing Asian market.

### Arrowsmith North Offtake

On 20 January 2025 the Company announced that it had entered into additional non-binding offtake term sheets for the supply of silica sand foundry products from Arrowsmith North into the foundry industries in the Republic of Korea (**South Korea**), Japan and Taiwan.

The offtake parties are all significant suppliers in their respective countries. Namgwang Casting Materials Ind Co., Ltd and Woori Corporation, are leading suppliers of sand to the foundry industry in South Korea. Yamakawa Sangyo Co., Ltd is a leading supplier to the foundry industry in Japan. FarnHwa Enterprise Co., Ltd is a leading supplier of foundry and glassmaking sand in Taiwan.

The term sheets set out detailed terms and conditions for the supply of an aggregate 440,000 tonnes per annum of AFS20, 35 and 55 certified foundry sand for a period of four years, with indicative pricing within the range of the Company's financial modelling for Arrowsmith North as provided in the updated bankable feasibility study for the project announced to ASX on 6 March 2024.

Key assumptions for the BFS include a target price range of US\$38-43 per dry metric tonne, dependent on product type, product quality, contract terms and quantity, and a targeted

production schedule of 2.2 million tonnes per annum over the full mine life with a conservative ramp up from a minimum 800,000 tonnes to 1.1 million tonnes per annum in years 1 and 2.

The Company now has offtake interest under term sheet for an aggregate of 640,000 tonnes, which includes the 200,000 tonnes sought by Dong A and Dong Nam in South Korea.

### **Arrowsmith North Project Financing**

During the quarter the Company continued to explore project financing alternatives, including debt and offtake finance for Arrowsmith North.

In light of progress towards conclusion of the environmental approvals process for Arrowsmith North, interest from potential debt financiers has increased markedly and the Company expects an independent technical review for Arrowsmith North commissioned in the previous quarter will be finalise in Q2 2025.

This work has continued subsequent to the end of the quarter.

### **ASX Listing Rule 5.3 Disclosures**

#### **Details of mining exploration activities:**

Payments for exploration & evaluation under operating activities of \$128,000 related mainly to tenement rates.

Payments for exploration & evaluation under investing activities of \$161,000 consists mainly of environmental approval, surveys and referral costs.

There were no substantive mining production and development activities during the quarter.

#### **Details of tenement activities:**

There were no changes to tenements during the quarter.

#### **Details of related party payments:**

The aggregate amount of payments to related parties and their associates of \$75,000 represents directors' fees and salaries paid during the quarter.

This quarterly activities report has been approved for release by the Managing Director.

#### **Further information:**

Bruce Maluish  
Managing Director  
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## Combined 1.4Bn tonne Mineral Resource

Table 1 Mineral Resource Statement (as at 31 March 2025)

Project	Classification	Mt	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %
Mucnea	Indicated	29	99.6	0.1	0.03	0.1	0.2
	Inferred	179	99.6	0.1	0.02	0.1	0.2
	<b>Total</b>	<b>208</b>	<b>99.6</b>	<b>0.1</b>	<b>0.02</b>	<b>0.1</b>	<b>0.2</b>
Arrowsmith North	Measured	10	95.9	1.9	0.7	0.3	0.7
	Indicated	237	97.7	1.0	0.4	0.2	0.5
	Inferred	266	98.4	0.7	0.3	0.2	0.4
	<b>Total</b>	<b>513</b>	<b>98.0</b>	<b>0.9</b>	<b>0.3</b>	<b>0.2</b>	<b>0.4</b>
Arrowsmith Brand	Inferred	523	97.3	1.4	0.4	0.2	0.6
	<b>Total</b>	<b>523</b>	<b>97.3</b>	<b>1.4</b>	<b>0.4</b>	<b>0.2</b>	<b>0.6</b>
Arrowsmith Central	Indicated	28.2	96.6	1.7	0.4	0.2	0.7
	Inferred	48.3	96.9	1.5	0.4	0.2	0.7
	<b>Total</b>	<b>76.5</b>	<b>96.8</b>	<b>1.5</b>	<b>0.4</b>	<b>0.2</b>	<b>0.7</b>
Boyatup	Inferred	60	97.8	0.8	0.2	0.1	0.9
	<b>Total</b>	<b>60</b>	<b>97.8</b>	<b>0.8</b>	<b>0.2</b>	<b>0.1</b>	<b>0.9</b>

**Total Mineral Resource 1,381 Million Tonnes**

Table 2 Ore Reserve Statement (as at 31 March 2025)

Project	Classification	Product	Mt	SiO <sub>2</sub> %	Al <sub>2</sub> O <sub>3</sub> %	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %
Mucnea	Probable	F80	10.2	99.9	0.02	0.008	0.03	0.1
		F80C	4.25					
		F150	4.25	99.8	0.07	0.015	0.035	0.1
Mucnea Ore Reserve			18.7	Million Tonnes				
Arrowsmith North	Proved	AFS20	0.8	99.5	0.25	0.07	0.05	0.1
		AFS35	3.9	99.5	0.5	0.06	0.05	0.1
		AFS55	2.7	99.2	0.5	0.1	0.05	0.1
		Local	1.8					
	Proved Ore Reserve		9.2	Million Tonnes				
	Probable	AFS20	24.2	99.5	0.25	0.07	0.05	0.1
		AFS35	102.5	99.5	0.5	0.06	0.05	0.1
		AFS55	51.1	99.2	0.5	0.1	0.05	0.1
		Local	34.1					
	Probable Ore Reserve		212	Million Tonnes				
Arrowsmith North Ore Reserve			221	Million Tonnes				
Arrowsmith Central	Probable	CF400	4.2	99.6	0.25	0.04	0.03	0.1
		C20	8.4					
		C40	4.2					
		High TiO <sub>2</sub>	2.2			<1%	2%	
Arrowsmith Central Ore Reserve			18.9	Million Tonnes				
Total Ore Reserve			259	Million Tonnes				

## Compliance Statement

The information in this document that relates to the estimation and reporting of the Mineral Resource and Ore Reserves for the Company's silica sand projects is extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024 (Arrowsmith North), 17 September 2019 (Arrowsmith Central), 9 May 2023 (Arrowsmith Brand), 18 October 2019 (Muchea) and Boyatup (18 August 2022). The Company confirms that it is not aware of any new information or data that materially affects the information included in this document and all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this announcement that relates to the previous exploration results have been cross referenced to the original announcement. The Company is not aware of any new information or data that materially affects the previous exploration results.

The Company confirms that the form and context in which the Competent Persons' findings are presented have not been materially modified.

## Interests in Mining Tenements (Western Australia)

### Arrowsmith Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E70/4987	Granted	100%	-	-	100%
E70/5027	Granted	100%	-	-	100%
E70/5817	Granted	100%	-	-	100%
M70/1389	Granted	100%	-	-	100%
R70/64	Granted	100%	-	-	100%
R70/65	Granted	100%	-	-	100%
L70/198	Granted	100%	-	-	100%
L70/199	Granted	100%	-	-	100%
L70/202	Granted	100%	-	-	100%
L70/203	Granted	100%	-	-	100%
L70/208	Granted	100%	-	-	100%
L70/229	Application	-	-	-	-
L70/230	Granted	100%	-	-	100%
G70/264	Granted	100%	-	-	100%
G70/265	Granted	100%	-	-	100%

### Muchea Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E70/4886	Granted	100%	-	-	100%
E70/5651	Application	-	-	-	-
M70/1390	Granted	100%	-	-	100%
M70/1414	Application	-	-	-	-
L70/200	Granted	100%	-	-	100%
L70/204	Granted	100%	-	-	100%
L70/205	Application	-	-	-	-
L70/206	Granted	100%	-	-	100%

### Boyatup Project – Silica Sand

Tenement	Status	Interest at beginning of quarter	Interests relinquished, reduced or lapsed	Interests acquired or increased	Interest at end of quarter
E69/3560	Retention	100%	-	-	100%

## About VRX Silica Limited

**VRX Silica Limited (ASX: VRX)** is the most advanced pureplay silica sand company listed on the ASX, developing its 100% owned silica sand projects at Arrowsmith (North, Brand and Central), Muchea and Boyatup in Western Australia.

Silica sand is the most used commodity on the planet after air and water. It is the main ingredient in all types of glassmaking, including specialty solar panel and high-tech glass, and foundry casting. It is a finite resource that is running out, with the Asia-Pacific region experiencing an ever-growing supply shortfall that is driving up prices.

Arrowsmith is located 270km north of Perth. Arrowsmith North boasts a minimum 25-year mine life capable of producing more than 2Mt tonnes per year of high-grade (99.7% SiO<sub>2</sub>)\* silica sand for export to the foundry, container glass and flat glass markets in Asia, with permitting well advanced, and will lead production.

Muchea, located 50km north of Perth, is an ultra-high-grade (99.9% SiO<sub>2</sub>)\* silica sand project capable of producing sand required for ultra-clear glass for solar panels and other high-tech glass applications.

Boyatup, located 100km east of Esperance, is under development and capable of producing sand for the glass market.



\*Information relating to grades are extracted from releases to ASX on 28 August 2019, 11 November 2022 and 6 March 2024 (Arrowsmith North) and 18 October 2019 (Muchea). The company is not aware of any new information or data that materially affects this information.

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

VRX SILICA LTD

ABN

59 142 014 873

Quarter ended ("current quarter")

31 March 2025

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	-	-
1.2	Payments for		
	(a) exploration & evaluation	(128)	(633)
	(b) development	-	-
	(c) production	-	-
	(d) staff costs	(241)	(698)
	(e) administration and corporate costs	(358)	(936)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	42	55
1.5	Interest and other costs of finance paid (on lease liability)	(5)	(15)
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	200	344
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(490)</b>	<b>(1,883)</b>
<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	(3)	(23)
	(d) exploration & evaluation	(161)	(210)
	(e) investments	-	-
	(f) other non-current assets	-	-



<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (bonds deposit)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(164)</b>	<b>(233)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	150	5,000
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(10)	(308)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (repayment of lease liability)	(23)	(66)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>117</b>	<b>4,626</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	5,360	2,313
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(490)	(1,883)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(164)	(233)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	117	4,626

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (9 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	<b>Cash and cash equivalents at end of period</b>	<b>4,823</b>	<b>4,823</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	1,786	2,360
5.2 Call deposits	3,037	3,000
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>4,823</b>	<b>5,360</b>

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	75
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>7.</b>	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	-	-
7.2	Credit standby arrangements	-	-
7.3	Other (please specify)	-	-
7.4	<b>Total financing facilities</b>	-	-
7.5	<b>Unused financing facilities available at quarter end</b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(490)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(161)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(651)
8.4	Cash and cash equivalents at quarter end (item 4.6)	4,823
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	4,823
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	7.41
<i>Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>		
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: Not applicable	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: Not applicable	

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

8.8.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Not applicable

*Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.*

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 29 April 2025

Authorised by: The Board  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.